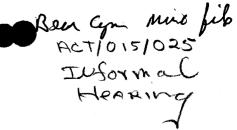


DIVISION OF OIL GAS & MINING PAUL B. ANDERSON

Consulting Geologist 807 EAST SOUTH TEMPLE, STE. 325 SALT LAKE CITY, UTAH 84102

(801) 364-6613



April 1, 1991

Mr. Lowell P. Braxton Associate Director, Mining Utah Division of Oil, Gas, and Mining 3 Triad Center, Suite 350 Salt Lake City, Utah 84180

RE: Proposal for providing geologic and hydrogeologic services.

Lowell
Dear Mr. Braxton:

I have reviewed some of the material you gave me concerning the hydrogeologic problems associated with the Co-Op Mine permit renewal and new Federal lease. Based on our discussions and the material I offer the following proposal.

Statement of Work: Review materials pertinent to the effects of mining on groundwater at the Co-Op Mine site; including the testimony of parties involved in the informal hearing, other permitting information and files, and pertinent references in the literature. A field visit is not anticipated but may be prudent. A field visit (one day) would be done only with the contract manager's approval. Provide a report which briefly describes a summary of the issues involved, conclusions which can be drawn from the existing data, and additional data required (if any) to adequately describe the probable hydrologic consequences of the proposed mining operations.

Timing: The work will begin as soon as possible (at the execution of a contract) and be completed on or before April 30, 1991.

Personnel: The work will be performed by myself, with the aid of a Staff Geologist.

Costs: It is estimated it will require up to 40 hours of my time and 30 hours of the Staff Geologist's time. Miscellaneous supplies (xeroxing, maps, etc.) should be less than \$20. Minimal travel is anticipated but should a field visit be necessary (only done with Division approval) mileage would be charged as indicated below.

Costs (continued)

Paul B. Anderson	@\$50/hour X 40 hours								\$2	,000				
Miscellaneous .	@\$30/hour X 30 hours	•	•	•	•				\$	900				
	000 00 (mile y 000	•	•	•	•	•	•	•	\$	20				
Mileage	@\$0.30/mile X 300 .	•	•	•	•	•	•	•	\$	90				
Total cost not to	exceed*								\$3 010					

*Costs would be billed at the above rates with a detail of the work tasks described in the Statement of Work.

Thank you for the opportunity to provide you with this proposal. Please call me if you have any questions.

Sincerely,

Paul B. Anderson Consulting Geologist